

FINANCE TEMPLATE FOR LOI APPLICANTS

The Federal Aviation Administration has established a finance template for the purpose of standardizing the submission of an airport's financial plans under the Letter of Intent (LOI) application. The FAA will utilize this information to conduct a comprehensive financial analysis of selected applicants' funding requests to ensure the most effective utilization of available Federal funds and to ensure that the Sponsor has the necessary financial resources to complete the Proposed Action. Airport sponsors are required to submit their financial plans in a format comparable to this template. Airport sponsors are strongly encouraged to use the actual Excel template which can be found at [\[insert URL\]](#). For assistance, please contact Dennis Walsh, FAA Airports Financial Assistance Division, at 202-493-4890 (dennis.walsh@faa.gov).

Regardless of whether sponsors use the existing Excel template or create their own, all information must be provided and organized as shown in Attachments A and B to this Appendix 29. The template requires data entry in four main sections:

- Airport Sponsor Information
- Capital Costs, Annual Cashflow Requirements and Funding Sources – Proposed Action
- Capital Costs, Annual Cashflow Requirements and Funding Sources – Other Capital Plans
- Project-Level Data Entry

The template is designed to allow sponsors to summarize data from prior years, and to present prospective data for a period as long as 14 years. It is not required to provide 14 years of projections; however, sponsors are encouraged to provide the most complete and accurate projection possible of the airport's capital needs and funding plans. This should not be limited to the "Proposed Action" as defined in Paragraph 1073(c) ("Application Process," "Key Definitions").

Airport sponsor information (lines 1-6). Insert required information in Column B of the spreadsheet, overwriting the word "[insert]" in each case.

Capital Costs and Annual Cashflow Requirements – Proposed Action (lines 7-16).

- Line 7 ("Professional Services") should include all planning, environmental and engineering services, including surveying, environmental testing and other services except those specifically related to land acquisition.
- Line 8 ("Land Acquisition") should include all associated costs, including appraisal, negotiation and legal support, and actual costs of acquisition, environmental remediation and relocation.
- Lines 9-12 ("Runways") should include costs specifically associated with each runway. Most LOI applications will relate only to a single runway, but up to four slots are provided to accommodate large multi-runway programs. Costs should include everything from site preparation, rough grading, drainage and paving to final lighting, marking and signage, as well as all associated environmental mitigation costs. Taxiway costs should be included only for parallel, exit and crossover taxiways.
- Line 13 ("Other Airside") should include all other airside costs not directly attributable to a specific runway, including taxiways other than parallel, exits and crossovers, hold pads,

drainage and deicing structures, aircraft aprons, access roads, lighting, marking, signage and fencing for both security and wildlife hazard management purposes. Again, any associated environmental mitigation costs must be included as well.

- Line 14 (“Terminal”) should include all passenger terminal and concourse structures, including all associated systems and fixed equipment such as boarding bridges, lighting, preconditioned air and ground power, as well as all associated environmental mitigation costs. Aircraft parking aprons should be included under “Other Airside.”
- Line 15 (“Landside”) should include all on-airport access and circulation roadways, vehicular parking and holding areas, signage and lighting, as well as all associated environmental mitigation costs.
- Line 16 (“Infrastructure”) should include any systems such as drainage, utility generation or distribution, security or other systems that are not limited to a specific area such as airside, landside or terminal, as well as all associated environmental mitigation costs.

Capital Funding Sources – Proposed Action (lines 17-44)

Federal and State Grants

- Line 17 (“Entitlements - Grants Awarded”) should include only grants that have actually been officially awarded as of the date of submission of the LOI application. Grants that are anticipated as part of a sponsor’s CIP or even through discussions as part of the FAA’s ACIP process should not be included here.
- Line 18 (“Entitlements - Future Grants”) should include any grants anticipated but not yet officially awarded. This should also include Entitlements that would be committed as part of the proposed LOI.
- Line 19 (“Discretionary - LOI Request”) should reflect the full LOI Discretionary funding being requested. If other Discretionary grants have been requested or even awarded, they should not be reflected here. Do not include Entitlements that would be committed as part of the LOI—this should be strictly the Discretionary component.
- Line 20 (“Discretionary - Other – Awarded”) should include only grants that have actually been officially awarded. Grants that are anticipated as part of a sponsor’s CIP or even through discussions as part of the FAA’s ACIP process should not be included here.
- Line 21 (“Discretionary - Other - Future Grants”) should include any other Discretionary grants anticipated, for projects unrelated to the proposed project for which the LOI is sought. No separate grants will be considered for projects covered within an LOI.
- Line 22 (“Discretionary - Noise – Awarded”) should include only grants that have actually been officially awarded. Grants that are anticipated as part of a sponsor’s CIP or even through discussions as part of the FAA’s ACIP process should not be included here.
- Line 23 (“Discretionary - Noise - Future Grants”) should include any grants requested or anticipated but not yet officially awarded.
- Line 24 (“State Apportionment - Grants Awarded”) should include only grants that have actually been officially awarded.

- Line 25 ("State Apportionment - Future Grants") should include any grants requested or anticipated but not yet officially awarded.
- Line 26 ("Other Federal (non-AIP) - Grants Awarded") should include only grants that have actually been officially awarded, from other Federal agencies such as other agencies within the U.S. Department of Transportation, Environmental Protection Agency, etc.
- Line 27 ("Other Federal (non-AIP) - Future Grants") should include any grants requested or anticipated but not yet officially awarded.
- Line 28 ("State - Grants Awarded") should include only grants that have actually been officially awarded, with funding coming from internal state sources (as opposed to AIP funds apportioned to the state).
- Line 29 ("State - Future Grants") should include any grants requested or anticipated but not yet officially awarded.

Passenger Facility Charge (PFCs) Resources

Note: Wherever the phrase "PFC resources" is used, it means the net proceeds from either pay-as-you-go collections or the proceeds of PFC-backed bonds.

- Line 30 ("PFCs - \$3.00 Application Approved") should include PFC resources collected at the \$3.00 level, only for applications where a Record of Decision or Final Agency Decision has been issued. The purpose of requesting this information is solely to ensure a complete and accurate overview of the Sponsor's entire capital funding plan. The FAA will not generally seek to encourage a sponsor to redirect PFC resources already committed to other projects.
- Line 31 ("PFCs - \$3.00 Application Submitted") should include PFC resources based on applications submitted but not yet approved.
- Line 32 ("PFCs - \$3.00 Future Applications") should include PFC resources based on any future applications, even if the application is already under preparation but not yet submitted.
- Line 33 ("PFCs - \$4.50 Application Approved") should include PFC resources collected at the \$4.50 level, only for applications where a Record of Decision or Final Agency Decision has been issued.
- Line 34 ("PFCs - \$4.50 Application Submitted") should include PFC resources based on applications submitted but not yet approved.
- Line 35 ("PFCs - \$4.50 Future Applications") should include PFC resources based on any future applications, even if the application is already under preparation but not yet submitted.
- Line 36 ("PFCs - Future Level") should include any PFC resources to be derived from future increases in the maximum PFC level beyond the maximum limit currently established by law. Clearly indicate the assumed collection level, and the date on which such increase is assumed to take effect.

For Large and Medium hub airports, if a sponsor assumes an increase in the maximum PFC level beyond \$4.50, the Finance Template should reflect an assumption that all Entitlements drop to zero in the same year.

In addition, the narrative explanation of the financial plan should outline the sponsor's contingency plan in the event that the assumed increase in the PFC does not materialize in the assumed timeframe.

Debt Financing

Throughout the following section, the FAA's interest lies not in specific bond issuance or individual credit facilities. Rather, the FAA's interest is limited to what levels of debt the sponsor has legal authority to incur.

If debt instruments are expected to be used for interim funding ("carrying") costs, that must be clearly reflected in the appropriate places in lines 37-44. As outlined in Para. 1074(a)(5), FAA will evaluate the completeness of the sponsor's financial plan based in part on the sponsor's demonstrated ability to carry the capital costs prior to LOI reimbursement.

- Line 37 ("Revenue Bonds - MII Approved") should include the net proceeds from sale of bonds for only those amounts that have been actually, legally approved in accordance with the requirements of the airline use and lease agreement. The FAA may require copies of the actual signed majority-in-interest (MII) certificates, or evidence that an MII is not required (e.g., relevant sections from the master airline use and lease agreement and/or master bond indenture). Supporting documentation must distinguish between the par value of the bonds (if cited) versus the net proceeds to be derived from the issuance.

Letter agreements, side agreements, letters of commitment and/or memoranda of understanding are not sufficient justification to include any associated amounts in this category.

- Line 38 ("Revenue Bonds - MII pending") should include any other amounts expected to be bond-funded but for which MII has not yet been secured.
- Line 39 ("General Obligation - Authority in Place") should include the net proceeds from sale of bonds for only those amounts that have been actually, legally approved in accordance with the laws of the governing body.

The FAA may require documentation of legal authority to issue the bonds. Non-binding resolutions or public referenda, letters of support from elected leaders or non-governmental organizations are not sufficient justification to include any associated amounts in this category.

- Line 40 ("General Obligation - Authority Pending") should include any other amounts expected to be bond-funded but for which legal authority to issue bonds has not yet been secured.
- Line 41 ("Other Debt - Authority in Place") should include the net proceeds from sale of bonds for only those amounts that have been actually, legally approved in accordance with the laws of the issuing entity. This may include commercial paper, bond anticipation notes, Special Facility Revenue Bonds or other forms of short- or long-term debt. The FAA may require documentation of legal authority to issue the bonds.
- Line 42 ("Other Debt - Authority Pending") should include any other amounts expected to be debt-funded but for which legal authority to incur the debt has not yet been secured.

Airport or Third-Party Funds

- Line 43 (“Airport Funds”) should include any funds derived directly from airport operations, including discretionary capital funds or operating revenues committed to capital expenditures.
- Line 44 (“Tenant or Third-Party Funds”) should include any funds committed by airlines, other tenants, or other interested parties in support of capital improvements at the airport. The FAA may require documentation of such commitments.

The structure and instructions for the third section (“Other Capital Plans”) is identical to lines 7-44.

Alternative LOI Disbursement Schedules

From time to time, in balancing existing commitments against new and anticipated requests, the FAA may find that it is possible in certain years to accelerate disbursements relative to requested disbursement schedules. In other years, FAA may not be able to meet all of the competing requests.

Therefore, the template includes a worksheet for sponsors to submit alternative LOI disbursement schedules. It is not required to do so, but it may help facilitate the analytical and decision process.

The template provides slots for up to four alternatives, above and beyond the official request which is to be reflected on the first worksheet.

For each alternative, sponsors should explain the impacts on costs and/or other funding sources, particularly in terms of either reducing or increasing capital costs or interim funding (“carrying”) costs. For example, if the schedule for implementing a proposed LOI project is constrained by financial limitations, and a more accelerated disbursement schedule could therefore accelerate the project, then there should be a corresponding reduction in cost escalation.

Project-Level Data Entry

The reason for this sheet is that the Benefit-Cost Analysis (BCA) should ordinarily reflect the full cost of the Proposed Action. From time to time, however, there may be justification for excluding part of the cost from the BCA, most notably if a given project element will be undertaken with or without the Proposed Action, or in cases where some cost has already been incurred.

The “Project-Level Data Entry” sheet provides a structured means for sponsors to present such justifications.

In addition, the sheet is designed to allow sponsors to clearly differentiate between the “Proposed Action,” “LOI Projects” and “Other Capital Plans,” as described in Paragraph 1073(c) (“Application Process,” “Key Definitions”).

To use this sheet, fill in the various project components beginning in Row 20, and indicate for each component whether it is to be considered as part of the “Proposed Action.” If the sponsor wishes to exclude the associated cost from the BCA, so indicate and provide justification for the exclusion.

The intent is that the level of detail be no greater than usable units. For example, if a facility must be relocated in order to accommodate a taxiway extension, it would be reasonable to include a line for

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“Northeast Cargo Facility Relocation.” It is neither necessary nor desirable in this context to break that component down into individual sub-phases or trades, such as “Site Preparation,” “Excavation and Foundations,” “Structural Shell,” etc.